GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2042
ANSWERED ON:13.03.2008
OIL BONDS
Chaure Shri Bapu Hari;Dhotre Shri Sanjay Shamrao;Joshi Shri Pralhad Venkatesh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the Oil Bonds issued by the each oil marketing company (OMC) as a partial non-cash compensation for revenue losses incurred due to failure to revise the oil prices during the last three years;

(b) whether such oil bonds figured in fiscal deficit of respective financial years;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a): The details of the Oil Bonds issued to Public Sector Oil Marketing Companies (OMCs) namely Indian Oil Corporation, (IOC), Bharat Petroleum Corporation, (BPC) and Hindustan Petroleum Corporation (HPC) since 2005-06 are given below:

Rs./crores

	IOC	BPC	HPC	Total
2005-06	6,992.02	2,163.12	2,344.86	11,500
2006-07	13,943.21	5,247.90	4,929.89	24,121
2007-08 (Apr-Sep`07)	6,362.25	2,539.13	2,355.54	11,256.92

Including IBP for # 2005-06 and 2006-07

(b)to(d): Ministry of Finance has informed that in terms of the extant accounting arrangement, budgetary support in the form of special securities is reflected in the gross expenditure but would not impact the deficit indicators as the investment in these special securities are adjusted against receipts.Only the servicing of these securities in the form of interest payment is taken into account for the calculation of fiscal deficit.